

Timothy M. Ryan, Bar No. 178059

1 denies generally and specifically, in the conjunctive and disjunctive, each and every
2 allegation contained therein.

3 2. Answering paragraph 2, this answering Defendant has no information and
4 belief concerning the allegations contained therein and basing their denial on that ground,
5 denies generally and specifically, in the conjunctive and disjunctive, each and every
6 allegation contained therein.

7 3. Answering paragraph 3, this answering Defendant denies it is committing
8 fraud in the factum and has no information and belief concerning the remaining
9 allegations contained therein, and basing their denial on that ground, denies generally and
10 specifically, in the conjunctive and disjunctive, each and every remaining allegation
11 contained therein.

12 4. Answering paragraph 4, this answering Defendant has no information and
13 belief concerning the allegations contained therein and basing their denial on that ground,
14 denies generally and specifically, in the conjunctive and disjunctive, each and every
15 allegation contained therein.

16 5. Answering paragraph 5, this answering Defendant has no information and
17 belief concerning the allegations contained therein and basing their denial on that ground,
18 denies generally and specifically, in the conjunctive and disjunctive, each and every
19 allegation contained therein.

20 6. Answering paragraph 6, this answering Defendant has no information and
21 belief concerning the allegations contained therein and basing their denial on that ground,
22 denies generally and specifically, in the conjunctive and disjunctive, each and every
23 allegation contained therein.

24 7. Answering paragraph 7, this answering Defendant has no information and
25 belief concerning the allegations contained therein and basing their denial on that ground,
26 denies generally and specifically, in the conjunctive and disjunctive, each and every
27 allegation contained therein.

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1 8. Answering paragraph 8, this answering Defendant has no information and
2 belief concerning the allegations contained therein and basing their denial on that ground,
3 denies generally and specifically, in the conjunctive and disjunctive, each and every
4 allegation contained therein.

5 9. Answering paragraph 9, this answering Defendant denies any unlawful
6 conduct and has no information and belief concerning the remaining allegations
7 contained therein and basing their denial on that ground, denies generally and
8 specifically, in the conjunctive and disjunctive, each and every allegation contained
9 therein.

10 10. Answering paragraph 10, this answering Defendant has no information and
11 belief concerning the allegations contained therein and basing their denial on that ground,
12 denies generally and specifically, in the conjunctive and disjunctive, each and every
13 allegation contained therein.

14 11. Answering paragraph 11, this answering Defendant has no information and
15 belief concerning the allegations contained therein and basing their denial on that ground,
16 denies generally and specifically, in the conjunctive and disjunctive, each and every
17 allegation contained therein.

18 12. Answering paragraph 12, this answering Defendant has no information and
19 belief concerning the allegations contained therein and basing their denial on that ground,
20 denies generally and specifically, in the conjunctive and disjunctive, each and every
21 allegation contained therein.

22 13. Answering paragraph 13, this answering Defendant has no information and
23 belief concerning the allegations contained therein and basing their denial on that ground,
24 denies generally and specifically, in the conjunctive and disjunctive, each and every
25 allegation contained therein.

26 14. Answering paragraph 14, this answering Defendant this answering
27 Defendant has no information and belief concerning the allegations contained therein and
28 basing their denial on that ground, denies generally and specifically, in the conjunctive

1 and disjunctive, each and every allegation contained therein.

2 15. Answering paragraph 15, this answering Defendant has no information and
3 belief concerning the allegations contained therein and basing their denial on that ground,
4 denies generally and specifically, in the conjunctive and disjunctive, each and every
5 allegation contained therein.

6 16. Answering paragraph 16, this answering Defendant has no information and
7 belief concerning the allegations contained therein and basing their denial on that ground,
8 denies generally and specifically, in the conjunctive and disjunctive, each and every
9 allegation contained therein.

10 17. Answering paragraph 17, this answering Defendant has no information and
11 belief concerning the allegations contained therein and basing their denial on that ground,
12 denies generally and specifically, in the conjunctive and disjunctive, each and every
13 allegation contained therein.

14 18. Answering paragraph 18, this answering Defendant has no information and
15 belief concerning the allegations contained therein and basing their denial on that ground,
16 denies generally and specifically, in the conjunctive and disjunctive, each and every
17 allegation contained therein.

18 19. Answering paragraph 19, this answering Defendant has no information and
19 belief concerning the allegations contained therein and basing their denial on that ground,
20 denies generally and specifically, in the conjunctive and disjunctive, each and every
21 allegation contained therein.

22 20. Answering paragraph 20, this answering Defendant has no information and
23 belief concerning the allegations contained therein and basing their denial on that ground,
24 denies generally and specifically, in the conjunctive and disjunctive, each and every
25 allegation contained therein.

26 21. Answering paragraph 21, this answering Defendant incorporates by
27 reference its answers to paragraphs 1 through 20 above.

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1 22. Answering paragraph 22, this answering Defendant has no information and
2 belief concerning the allegations contained therein and basing their denial on that ground,
3 denies generally and specifically, in the conjunctive and disjunctive, each and every
4 allegation contained therein.

5 23. Answering paragraph 23, this answering Defendant has no information and
6 belief concerning the allegations contained therein and basing their denial on that ground,
7 denies generally and specifically, in the conjunctive and disjunctive, each and every
8 allegation contained therein.

9 24. Answering paragraph 24, this answering Defendant has no information and
10 belief concerning the allegations contained therein and basing their denial on that ground,
11 denies generally and specifically, in the conjunctive and disjunctive, each and every
12 allegation contained therein.

13 25. Answering paragraph 25, this answering Defendant has no information and
14 belief concerning the allegations contained therein and basing their denial on that ground,
15 denies generally and specifically, in the conjunctive and disjunctive, each and every
16 allegation contained therein.

17 26. Answering paragraph 26, this answering Defendant incorporates by
18 reference its answers to paragraphs 1 through 25 above.

19 27. Answering paragraph 27, this answering Defendant has no information and
20 belief concerning the allegations contained therein and basing their denial on that ground,
21 denies generally and specifically, in the conjunctive and disjunctive, each and every
22 allegation contained therein.

23 28. Answering paragraph 28, this answering Defendant has no information and
24 belief concerning the allegations contained therein and basing their denial on that ground,
25 denies generally and specifically, in the conjunctive and disjunctive, each and every
26 allegation contained therein.

27 29. Answering paragraph 29, this answering Defendant has no information and
28 belief concerning the allegations contained therein and basing their denial on that ground,

1 denies generally and specifically, in the conjunctive and disjunctive, each and every
2 allegation contained therein.

3 30. Answering paragraph 30, this answering Defendant has no information and
4 belief concerning the allegations contained therein and basing their denial on that ground,
5 denies generally and specifically, in the conjunctive and disjunctive, each and every
6 allegation contained therein.

7 31. Answering paragraph 31, this answering Defendant has no information and
8 belief concerning the allegations contained therein and basing their denial on that ground,
9 denies generally and specifically, in the conjunctive and disjunctive, each and every
10 allegation contained therein.

11 32. Answering paragraph 32, this answering Defendant incorporates by
12 reference its answers to paragraphs 1 through 31 above.

13 33. Answering paragraph 33, this answering Defendant has no information and
14 belief concerning the allegations contained therein and basing their denial on that ground,
15 denies generally and specifically, in the conjunctive and disjunctive, each and every
16 allegation contained therein.

17 34. Answering paragraph 34, this answering Defendant has no information and
18 belief concerning the allegations contained therein and basing their denial on that ground,
19 denies generally and specifically, in the conjunctive and disjunctive, each and every
20 allegation contained therein.

21 35. Answering paragraph 35, this answering Defendant has no information and
22 belief concerning the allegations contained therein and basing their denial on that ground,
23 denies generally and specifically, in the conjunctive and disjunctive, each and every
24 allegation contained therein.

25 36. Answering paragraph 36, this answering Defendant has no information and
26 belief concerning the allegations contained therein and basing their denial on that ground,
27 denies generally and specifically, in the conjunctive and disjunctive, each and every
28 allegation contained therein.

1 37. Answering paragraph 37, this answering Defendant has no information and
2 belief concerning the allegations contained therein and basing their denial on that ground,
3 denies generally and specifically, in the conjunctive and disjunctive, each and every
4 allegation contained therein.

5 38. Answering paragraph 38, this answering Defendant has no information and
6 belief concerning the allegations contained therein and basing their denial on that ground,
7 denies generally and specifically, in the conjunctive and disjunctive, each and every
8 allegation contained therein.

9 39. Answering paragraph 39, this answering Defendant has no information and
10 belief concerning the allegations contained therein and basing their denial on that ground,
11 denies generally and specifically, in the conjunctive and disjunctive, each and every
12 allegation contained therein.

13 40. Answering paragraph 40, this answering Defendant has no information and
14 belief concerning the allegations contained therein and basing their denial on that ground,
15 denies generally and specifically, in the conjunctive and disjunctive, each and every
16 allegation contained therein.

17 41. Answering paragraph 41, this answering Defendant has no information and
18 belief concerning the allegations contained therein and basing their denial on that ground,
19 denies generally and specifically, in the conjunctive and disjunctive, each and every
20 allegation contained therein.

21 42. Answering paragraph 42, this answering Defendant has no information and
22 belief concerning the allegations contained therein and basing their denial on that ground,
23 denies generally and specifically, in the conjunctive and disjunctive, each and every
24 allegation contained therein.

25 43. Answering paragraph 43, this answering Defendant has no information and
26 belief concerning the allegations contained therein and basing their denial on that ground,
27 denies generally and specifically, in the conjunctive and disjunctive, each and every
28 allegation contained therein.

1 44. Answering paragraph 44, this answering Defendant incorporates by
2 reference its answers to paragraphs 1 through 43 above.

3 45. Answering paragraph 45 this answering Defendant has no information and
4 belief concerning the allegations contained therein and basing their denial on that ground,
5 denies generally and specifically, in the conjunctive and disjunctive, each and every
6 allegation contained therein.

7 46. Answering paragraph 46, this answering Defendant does not know the
8 contents of that paragraph, as it is absent from the filed copy of Plaintiffs' First Amended
9 Complaint, and therefore cannot admit or deny the allegations. Plaintiffs' First Amended
10 Complaint, however, does not appear to be missing a page since paragraph 45 ends on
11 page 10 and paragraph 48 begins on page 11.

12 47. Answering paragraph 47, this answering Defendant does not know the
13 contents of that paragraph, as it is absent from the filed copy of Plaintiffs' First Amended
14 Complaint, and therefore cannot admit or deny the allegations. Plaintiffs' First Amended
15 Complaint, however, does not appear to be missing a page since paragraph 45 ends on
16 page 10 and paragraph 48 begins on page 11.

17 48. Answering paragraph 48, this answering Defendant incorporates by
18 reference its answers to paragraphs 1 through 47 above.

19 49. Answering paragraph 49, this answering Defendant has no information and
20 belief concerning the allegations contained therein and basing their denial on that ground,
21 denies generally and specifically, in the conjunctive and disjunctive, each and every
22 allegation contained therein.

23 50. Answering paragraph 50, this answering Defendant has no information and
24 belief concerning the allegations contained therein and basing their denial on that ground,
25 denies generally and specifically, in the conjunctive and disjunctive, each and every
26 allegation contained therein.

27 51. Answering paragraph 51, this answering Defendant has no information and
28 belief concerning the allegations contained therein and basing their denial on that ground,

1 denies generally and specifically, in the conjunctive and disjunctive, each and every
2 allegation contained therein.

3 52. Answering paragraph 52, this answering Defendant has no information and
4 belief concerning the allegations contained therein and basing their denial on that ground,
5 denies generally and specifically, in the conjunctive and disjunctive, each and every
6 allegation contained therein.

7 53. Answering paragraph 53, this answering Defendant has no information and
8 belief concerning the allegations contained therein and basing their denial on that ground,
9 denies generally and specifically, in the conjunctive and disjunctive, each and every
10 allegation contained therein.

11 54. Answering paragraph 54, this answering Defendant has no information and
12 belief concerning the allegations contained therein and basing their denial on that ground,
13 denies generally and specifically, in the conjunctive and disjunctive, each and every
14 allegation contained therein.

15 55. Answering paragraph 55, erroneously labeled paragraph "52," this
16 answering Defendant has no information and belief concerning the allegations contained
17 therein and basing their denial on that ground, denies generally and specifically, in the
18 conjunctive and disjunctive, each and every allegation contained therein.

19 56. Answering paragraph 56, erroneously labeled paragraph "53," this
20 answering Defendant has no information and belief concerning the allegations contained
21 therein and basing their denial on that ground, denies generally and specifically, in the
22 conjunctive and disjunctive, each and every allegation contained therein.

23 57. Answering paragraph 57, erroneously labeled paragraph "54," this
24 answering Defendant has no information and belief concerning the allegations contained
25 therein and basing their denial on that ground, denies generally and specifically, in the
26 conjunctive and disjunctive, each and every allegation contained therein.

27 58. Answering paragraph 58, erroneously labeled paragraph "55," this
28 answering Defendant has no information and belief concerning the allegations contained

1 therein and basing their denial on that ground, denies generally and specifically, in the
2 conjunctive and disjunctive, each and every allegation contained therein.

3 59. Answering paragraph 59, erroneously labeled paragraph "56," this
4 answering Defendant incorporates by reference its answers to paragraphs 1 through 58
5 above.

6 60. Answering paragraph 60, erroneously labeled paragraph "57," this
7 answering Defendant has no information and belief concerning the allegations contained
8 therein and basing their denial on that ground, denies generally and specifically, in the
9 conjunctive and disjunctive, each and every allegation contained therein.

10 61. Answering paragraph 61, erroneously labeled paragraph "58," this
11 answering Defendant has no information and belief concerning the allegations contained
12 therein and basing their denial on that ground, denies generally and specifically, in the
13 conjunctive and disjunctive, each and every allegation contained therein.

14 62. Answering paragraph 62, erroneously labeled paragraph "59," this
15 answering Defendant has no information and belief concerning the allegations contained
16 therein and basing their denial on that ground, denies generally and specifically, in the
17 conjunctive and disjunctive, each and every allegation contained therein.

18 63. Answering paragraph 63, erroneously labeled paragraph "60," this
19 answering Defendant has no information and belief concerning the allegations contained
20 therein and basing their denial on that ground, denies generally and specifically, in the
21 conjunctive and disjunctive, each and every allegation contained therein.

22 64. Answering paragraph 64, erroneously labeled paragraph "61," this
23 answering Defendant has no information and belief concerning the allegations contained
24 therein and basing their denial on that ground, denies generally and specifically, in the
25 conjunctive and disjunctive, each and every allegation contained therein.

26 65. Answering paragraph 65, erroneously labeled paragraph "62," this
27 answering Defendant has no information and belief concerning the allegations contained
28 therein and basing their denial on that ground, denies generally and specifically, in the

1 conjunctive and disjunctive, each and every allegation contained therein.

2 66. Answering paragraph 66, erroneously labeled paragraph "63," this
3 answering Defendant has no information and belief concerning the allegations contained
4 therein and basing their denial on that ground, denies generally and specifically, in the
5 conjunctive and disjunctive, each and every allegation contained therein.

6 **FIRST AFFIRMATIVE DEFENSE**

7 **(Failure to State Claim)**

8 The First Amended Complaint, and every purported cause of action therein, fails
9 to allege facts sufficient to constitute a cause of action against Drexel.

10 **SECOND AFFIRMATIVE DEFENSE**

11 **(Failure to Mitigate Damages)**

12 Plaintiffs have failed to exercise reasonable care and diligence to avoid alleged
13 losses and minimize damages and therefore may not recover for losses, which could have
14 been prevented by reasonable efforts on their part or by expenditures that might
15 reasonably have been made. Therefore, Plaintiffs' recovery, if any, should be reduced by
16 the failure of Plaintiffs to mitigate their damages.

17 **THIRD AFFIRMATIVE DEFENSE**

18 **(Waiver, Estoppel or Laches)**

19 Plaintiffs' action as against Drexel is barred by one or more of the doctrines of
20 waiver, estoppel or laches.

21 **FOURTH AFFIRMATIVE DEFENSE**

22 **(Lack of Standing)**

23 Plaintiff Gray has no proprietary, equitable or other legal interest or right to be
24 adjudicated by the Court and therefore, Plaintiff lacks standing to bring this action or to
25 request any relief.

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FIFTH AFFIRMATIVE DEFENSE**(Unclean Hands)**

To the extent that Plaintiffs seek relief upon equitable principles, the relief sought is barred by the doctrine of unclean hands.

SIXTH AFFIRMATIVE DEFENSE**(Reduction of Damages Based on Third Party Fault)**

This answering Defendant alleges that should it be found liable to Plaintiffs, which liability is expressly denied, this answering Defendant is entitled to have an award against it reduced or eliminated to the extent that the negligence, careless, false statements or defect resulted from the acts or omissions of other persons, which contributed to Plaintiffs' damages, if any.

SEVENTH AFFIRMATIVE DEFENSE**(No Damages)**

Plaintiffs have failed to sustain any actual damages, a prerequisite to recovery under their First Amended Complaint.

EIGHTH AFFIRMATIVE DEFENSE**(Statute of Limitations)**

The causes of action set forth in the First Amended Complaint fail because they have not been brought within their applicable statutes of limitation.

NINTH AFFIRMATIVE DEFENSE**(Comparative Fault)**

This answering Defendant alleges that Plaintiffs were careless and negligent with respect to all matters alleged by them in the First Amended Complaint, and thus were comparatively at fault and proximately caused their own damages. Accordingly, any damages recovered by Plaintiffs, if any there are, should be reduced in proportion to their own negligence.

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TENTH AFFIRMATIVE DEFENSE**(Third Party Fault)**

This answering Defendant alleges that the damages complained of, if there were any, were proximately contributed to or caused by the carelessness, negligence, fault or defects resulting from acts/omissions of other persons unknown to this answering Defendant at this time, and were not caused in any way by this answering Defendant or by persons for whom this answering Defendant is legally responsible.

ELEVENTH AFFIRMATIVE DEFENSE**(Equitable and Judicial Estoppel)**

This answering Defendant alleges that Plaintiffs are barred by the doctrine of equitable estoppel and the doctrine of judicial estoppel.

TWELFTH AFFIRMATIVE DEFENSE**(Res Judicata and Collateral Estoppel)**

This answering Defendant alleges that Plaintiffs are barred by the doctrines of res judicata and or collateral estoppel.

THIRTEENTH AFFIRMATIVE DEFENSE**(Reservation of Additional Defense)**

This answering Defendant is informed and believes, and thereon alleges, that there may be additional affirmative defenses available to it, of which it is not fully aware and therefore reserves the right to insert additional affirmative defenses at some future date in the event that facts or other information is received and said defenses become ascertained and known.

FOURTEENTH AFFIRMATIVE DEFENSE**(Negligence of Plaintiffs)**

The damages or losses, if any, sustained by Plaintiffs were proximately caused and/or contributed to by the negligence, carelessness and/or reckless conduct of Plaintiffs, their agents or representatives.

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PRAYER

WHEREFORE, this answering Defendant requests for relief as follows:

1. That the First Amended Complaint be dismissed with prejudice;
2. That the Plaintiffs take nothing thereby;
3. For costs of suit incurred herein including reasonable attorneys' fees; and
4. For such other and further relief as the Court may deem just and proper.

DATED: August 11, 2008

THE RYAN FIRM

A Professional Corporation

By: 

TIMOTHY M. RYAN

KIMBERLY L. ROIG

Attorneys for Defendant DGG

FINANCIAL CORPORATION dba

DREXEL LENDING GROUP

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THE RYAN FIRM
A Professional Corporation

VERIFICATION**STATE OF CALIFORNIA, COUNTY OF ORANGE**

I have read the foregoing **DEFENDANT DGG FINANCIAL CORPORATION DBA DREXEL LENDING GROUP'S VERIFIED ANSWER TO FIRST AMENDED COMPLAINT** and know its contents.

☒ CHECK APPLICABLE PARAGRAPH

☐ I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

☒ I am ☒ an Officer ☐ a partner ☐ a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. ☐ I am informed and believe and on that ground allege that the matters stated in the foregoing document are true. ☒ The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

☐ I am one of the attorneys for _____, a party to this action. Such party is absent from the country of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

Executed on August 11, 2008, at Ontario, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

By: *Aileen Gamalinda*
Aileen Gamalinda

THE RYAN FIRM
A Professional Corporation

3:08-cv-00731-W-POR

Verification